
OLR Bill Analysis

HB 5638

AN ACT DECREASING THE TIME FRAME FOR PAYMENT BY AN APPRAISAL MANAGEMENT COMPANY TO AN APPRAISER.

SUMMARY:

This bill decreases, from 60 to 45 days, the time in which an appraisal management company must pay an appraiser for an appraisal or valuation assignment. By law, the (1) time period starts when the appraiser transmits or otherwise provides the completed appraisal or valuation study to the company or its assignee and (2) deadline does not apply in cases of breach of contract or substandard performance of services or where the parties have mutually agreed upon an alternate payment schedule in writing.

EFFECTIVE DATE: October 1, 2013

BACKGROUND

Appraisal Management Company

The law defines an “appraisal management company” as any person, partnership, association, limited liability company, or corporation that performs appraisal management services. These services generally include administering appraisal panels, which are networks of certified or licensed appraisers who are independent contractors of the company. The panels are recruited and approved by the company and perform appraisals (1) directly for it or (2) requested or ordered through it. The company negotiates the fees paid to, and services provided by, the appraisers.

An appraisal management company does not include:

1. an appraiser who enters into a written or oral agreement with another appraiser to conduct an appraisal, which must be

signed by both appraisers upon completion;

2. an appraisal management company that is wholly owned by a state or federally regulated financial institution (e.g., bank) or a department of such an institution that receives appraisal requests only from its employees; or
3. any local, state, or federal agency or department.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Change of Reference
Yea 19 Nay 0 (02/26/2013)

Banks Committee

Joint Favorable
Yea 17 Nay 0 (03/14/2013)